MINUTES
CAPITAL IMPROVEMENTS PROGRAM COMMITTEE AGENDA
8:00 A.M., July 20, 2018

A Capital Improvements Program Committee meeting was held at the City/School Administration Center in Rapid City South Dakota, on Friday, July 20, 2018 at 8:03 a.m.

The following members were present: Ritchie Nordstrom, Amanda Scott, Jason Salamun, Lisa Modrick and Darla Drew; the following members arrived during the course of the meeting: None; and the following were absent: None

Others present included: Finance Officer Pauline Sumption, Deputy Finance Officer Tracy Davis, IT Director Jim Gilbert, Parks and Recreation Director Jeff Biegler, Fire Chief Rod Seals, Compliance Specialist Cassie Furchner, Community Planning Director Ken Young, Operations Management Engineer Rod Johnson, Public Works Engineer Project Manager Ted Johnson, Library Administration and Facilities Coordinator Jennifer Read and Administrative Coordinator Heidi Weaver-Norris.

CONSENT ITEMS -- Items 3 – 8
Motion was made by Scott, second by Modrick and carried to adopt the agenda.

3. Approve Minutes for May 18, 2018
4. Next Meeting: Friday, August 17, 2018 @ 8:00 a.m./2nd Floor Council Chambers
5. No. CIP072018-03 – Approve Capital Plans for Government Facilities – (Fire & Emergency Services, Parks & Recreation, CSAC, Summary)
6. No. CIP072018-04 – Approve Capital Plan for Fire Vehicles
7. No. CIP072018-05 – Approve Capital Plan for Parks & Recreation
8. No. CIP072018-06 – Approve Capital Plan for Information Technology

NON-CONSENT ITEMS -- Items 9 – 11
Nordstrom read in item (No. CIP072018-01) Acknowledge Financial Report (Summary, DCA Charges and Debt Service). Davis drew attention to debt service and the loan with the county. The city ended up receiving that money back. They are in negotiations regarding a new agreement on the loan. In July, Council will see another budget adjustment, than it won’t be a negative and they will continue to make their regular payment to the county for the year. In response to a question from Scott, Davis said the agreement will be effective when it is finalized. It is still being worked on. Nordstrom clarified that debt service is currently at $3.7 million, and the adjustment will show in July. Davis said this current report ended June 30, 2018, so the adjustment will show next month. Motion was made by Salamun, second by Modrick and carried to acknowledge.

Nordstrom read in item (No. CIP072018-02) Approve Capital Plan for PW Infrastructure (Formerly called Capital Plan for Streets, Drainage, MIP Projects) Furchner said there was not a lot to draw attention to this month. She said there were a few highlighted items in green that were revised. There was an addition with some land acquisition easements for the upcoming Robbinsdale project. In response to a question from Nordstrom regarding rain delays on projects, Ted Johnson said there should not be any significant delays. In regards to the Robbinsdale project (Ivy, East Idaho, and East Nevada reconstruction) Nordstrom asked if the department was staying on budget for this project. With the additions to the Robbinsdale Park improvements, the overall project is over. The dollar amount has increased with change orders and park improvements, so the costs have gone over budget. Motion was made by Salamun, second by Drew and carried to approve.

Nordstrom read in item (No. CIP072018-07) Approve Request from Library on Reallocation of Funding for Years 2019-2020. Nordstrom asked Jennifer Read, from the library, to explain the library’s request. She stated that back in 2016 these projects were approved by the CIP committee to remove the 1972
baseboard heaters (and replace with cove heating), replace air handlers 1 and 2, replace chiller unit, and replace original 1972 rooftop HVAC unit. The library is asking to combine the money for those four projects into one project to replace air handler #1. She stated that the library should do handler #2 as well but they would like to focus on air handler #1 since it is the larger unit. Both air handler units were installed in 1972 and are overdue for replacement. She said they originally wanted the baseboard heaters replaced but is considered more cosmetic now and they no longer want to replace the baseboard heaters. The chiller unit is good for another ten years as long as they replace one of the coils, which would be about $14,000. Nordstrom clarified that the difference between the original request and the new request is about $500. He said he looked at the units and they are overdue to be replaced. In response to a question from Nordstrom, Read said the library may request funds later for air handler #2 but there could be possible additional financial support from the library in their budget for air handler #2. Right now they only have a quote from one vendor but they will go out for bids when it’s time. Motion was made by Scott, second by Drew to approve the reallocation of $100,000 from 2020, $170,000 from 2020 and $25,000 from 2019 for air handler #1 to all be in 2020. Scott stated that the library needs to reprioritize and budget for handler #2 and try not to come back to CIP for money on air handler #2. Drew asked Read if the library has thought about fundraising to raise the money for air handler #2. Read said she would talk to Teri Davis about fundraising or budgeting from the library for the $125,000 needed for air handler #2. Salamun said this item brings up more of a general issue and he wasn’t sure who to direct the issue to. He stated in the next three years costs might go up, he asked the committee if they just address the cost increases as they come along. He said if departments are planning to go over the original amount budgeted after three years go by, they might be short-changing themselves. Sumption explained the departments that have individual line items such as public works infrastructure or parks & recreation, they tend to build in a contingency fund in their 5-year plan for those types of things otherwise a project will get delayed. In the case of government facilities, typically they will come back asking for more money if that happens. When we used to have a contingency that was fine but we got rid of that contingency, we would look at the cash balance or the department would look at their own operating budgets. Salamun asked why the CIP committee got ride of the contingency fund. Sumption stated that people weren’t looking ahead for the five years and scheduling their project. They were waiting until the last minute and then it was an emergency and the money would be gone. That is not how contingency is supposed to work. In response to a question from Salamun, Sumption said when they had a line for contingency and the money wasn’t used it would go back into CIP itself. Now the ones set up in each department go back to the department if the money is not used. Sumption said very rarely did they end up with money in CIP at the end of the year. Scott wanted to re-clarify her motion. She stated they are removing all three items from 2019, 2020 and 2020 of the total value of those three items minus saving $500 because they are now making that item one item for 2020 in the amount of $294,500 for air handler 1. Modrick asked Read if this reallocation keeps the library on track to replace air handler 1 and Read said yes. Motion carried.

DISCUSSION ITEM
Drew said infrastructure needs were great this summer and she thinks the city is doing an amazing job working through all projects this summer. In response to a concern from Ted Johnson regarding the meeting time showing 10:00 a.m. on the website, Salamun asked if that interfered with any public notices. Sumption said the meeting time of 8:00 a.m. was on the CIP agenda and that is what they go by. Salamun asked that IT get the meeting changed from 10:00 a.m. to 8:00 a.m. on the website for future agendas. Gilbert said he would get the time updated on the website.

ADJOURN
There being no further business to come before the committee, motion was made by Scott, second by Salamun and carried to adjourn the meeting at 8:25 a.m.